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PROPOSED COUNSEL TO THE DEBTORS
AND DEBTORS IN POSSESSION

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:	§	
	§	Chapter 11
	§	
Senior Care Centers, LLC, <i>et al.</i> , ¹	§	Case No. 18-33967 (BJH)
	§	
Debtors.	§	(Joint Administration Requested)
	§	

**MOTION OF DEBTORS FOR ORDER (I) AUTHORIZING CONTINUATION OF, AND
PAYMENT OF PREPETITION OBLIGATIONS INCURRED IN THE ORDINARY
COURSE OF BUSINESS IN CONNECTION WITH, VARIOUS INSURANCE
POLICIES, (II) AUTHORIZING BANKS TO HONOR AND PROCESS CHECKS AND
ELECTRONIC TRANSFER REQUESTS RELATED THERETO, (III) PREVENTING
INSURANCE COMPANIES FROM GIVING ANY NOTICE OF TERMINATION OR
OTHERWISE MODIFYING ANY INSURANCE POLICY WITHOUT OBTAINING
RELIEF FROM THE AUTOMATIC STAY, (IV) AUTHORIZING THE DEBTORS TO
CONTINUE TO HONOR PREMIUM FINANCING OBLIGATIONS, AND (V)
AUTHORIZING THE DEBTORS TO CONTINUE SURETY BOND PROGRAM**

The above-captioned debtors and debtors in possession (the “**Debtors**”) hereby move (the “**Motion**”) for entry of an order, substantially in the form attached hereto as Exhibit B (the “**Proposed Order**”), pursuant to sections 105(a), 362, 363(b), and 363(c)(1) of title 11 of the United States Code (the “**Bankruptcy Code**”), and Rule 6003(b) of the Federal Rules of

¹ A list of the Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, is attached hereto as Exhibit A. The Debtors’ mailing address is 600 North Pearl Street, Suite 1100, Dallas, Texas 75201.

Bankruptcy Procedure (the “**Bankruptcy Rules**”), (i) authorizing, but not directing, the Debtors to continue and, to the extent necessary, renew prepetition insurance policies in the ordinary course of business and pay prepetition obligations in respect thereof, (ii) authorizing banks and other financial institutions at which the Debtors hold accounts (collectively, the “**Banks**”) to honor and process check and electronic transfer requests related to the foregoing, (iii) preventing insurance companies from giving any notice of termination or otherwise modifying or cancelling any insurance policies without first obtaining relief from the automatic stay imposed by Bankruptcy Code section 362, (iv) authorizing, but not directing, the Debtors to continue to honor premium financing and brokerage obligations, and (v) authorizing, but not directing, the Debtors to continue their surety bond program. In support of this Motion, the Debtors rely upon and incorporate by reference the *Declaration of Kevin O'Halloran, Chief Restructuring Officer of Senior Care Centers, LLC, in Support of Chapter 11 Petitions and First Day Pleadings*, filed concurrently herewith (the “**First Day Declaration**”). In further support of this Motion, the Debtors, by and through their undersigned counsel, respectfully represent as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction to consider this Motion under 28 U.S.C. §§ 157 and 1334. This is a core proceeding under 28 U.S.C. § 157(b). The Debtors consent to entry of a final order under Article III of the United States Constitution.
2. Venue is proper in this district under 28 U.S.C. §§ 1408 and 1409.
3. The statutory predicates for the relief requested herein are Bankruptcy Code sections 105(a), 363(b), and 363(c)(1), and Bankruptcy Rule 6003(b).

BACKGROUND

A. General Background

4. On the date hereof (the “**Petition Date**”), each of the Debtors filed a voluntary petition in this Court commencing a case for relief under chapter 11 of the Bankruptcy Code (the “**Chapter 11 Cases**”).

5. The factual background regarding the Debtors, including their business operations, their capital and debt structures, and the events leading to the filing of the Chapter 11 Cases, is set forth in detail in the First Day Declaration and fully incorporated herein by reference.

6. The Debtors continue to manage and operate their business as debtors in possession pursuant to Bankruptcy Code sections 1107 and 1108.

7. No trustee or examiner, or official committee of unsecured creditors has been appointed in the Chapter 11 Cases.

B. The Debtors’ Insurance Policies and Related Payment Obligations

8. In the ordinary course of their business, the Debtors maintain approximately 64 insurance policies with various insurance providers (collectively, the “**Insurers**”) that provide coverage for, among other things, the Debtors’ general liability, director and officer liability, fiduciary liability, employment practices liability, workers compensation liability, automobile liability, professional liability, cyber liability, and property liability (each, an “**Insurance Policy**” and collectively, the “**Insurance Policies**”), as summarized in Exhibit C annexed hereto.² In addition to the Insurance Policies, the Debtors maintain several workers’

² The descriptions of the Insurance Policies set forth in this Motion constitute a summary only. The actual terms of the Insurance Policies and related agreements will govern in the event of any inconsistency with the descriptions in this Motion. It is possible that certain of the Debtors’ Insurance Policies may have been inadvertently omitted from the list of Insurance Policies attached hereto as Exhibit C. Accordingly, Exhibit C represents a non-exhaustive list of Insurance Policies and the Debtors reserve the right, pursuant to the terms and conditions of this Motion and without

compensation policies that are reflected in Exhibit C, for which relief is not sought in this Motion.³

9. The Debtors incur a total of approximately \$7 million in premiums on an annual basis under the terms of their existing Insurance Policies as well as other obligations, including the Broker Fees (as defined below) and other related fees and costs (collectively, the “**Insurance Obligations**”). In addition, the Debtors may make retroactive adjustments in the ordinary course of business with respect to one or more of the Insurance Policies, as applicable.

10. The Debtors seek authority to pay premiums under the Insurance Policies based on a fixed amount established and billed by each Insurance Provider. Depending on the particular Insurance Policy, premiums are primarily (a) prepaid in full at a policy’s inception or renewal; (b) financed through a premium financing company; or (c) paid in installments to a broker over the term of the policy.

(i) Debtors’ Prepaid Policies

11. Generally, these Insurance Policies require annual premium payments to be made at the beginning of the applicable policy period. In the ordinary course of business, the Debtors renew annual coverages under many of their policies, including those related to general professional liability, flood coverage, and key man life coverage, and the Debtors pay the full

further order from the Court, to amend Exhibit C to add any Insurance Policies that were omitted therefrom. The Debtors request that the relief requested herein apply equally to all such Insurance Policies (the “**Additional Insurance Policies**”). If the Debtors add any Additional Insurance Policies to Exhibit C, the Debtors will serve this Motion, any order approving same, and a revised version of Exhibit C upon the issuer(s) of any such Additional Insurance Policies, the Office of the U.S. Trustee, the Debtors’ DIP Lender, and any official committee(s) appointed in the Debtors’ Chapter 11 Cases.

³ The Debtors’ workers’ compensation policies are described and corresponding relief is requested with respect to such policies in the *Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing Payment of Certain Prepetition Workforce Claims, Including Wages, Salaries, and Other Compensation, (II) Authorizing Payment of Certain Employee Benefits and Confirming Right to Continue Employee Benefits on Postpetition Basis, (III) Authorizing Payment of Reimbursement to Employees for Expenses Incurred Prepetition, (IV) Authorizing Payment of Withholding and Payroll-Related Taxes, (V) Authorizing Payment of Workers’ Compensation Obligations, and (VI) Authorizing Payment of Prepetition Claims Owing to Administrators and Third-Party Providers*, filed concurrently herewith.

amount of the premiums owed for such policies due at renewal. Accordingly, as of the Petition Date, the Debtors do not owe unpaid premium amounts on account of policies that require payment in full at the inception of the applicable policy period.

(ii) Premium Financing Agreement

12. Generally, the Insurance Policies require annual premium payments to be made at the beginning of the applicable policy period. However, it is not always economically advantageous for the Debtors to pay the premiums on all of the Insurance Policies on a lump-sum basis. Accordingly, in the ordinary course of business, the Debtors finance the premiums on certain policies pursuant to two premium financing agreements (each, a “**PFA**” and collectively, the “**PFA**s”) with Imperial PFS Corporation (“**Imperial**”). The Debtors entered into the PFAs with Imperial in order to finance insurance premiums for certain policies as detailed in Exhibit C, including property liability, general and professional liability, executive risk liability, directors and officers, employment practices liability, commercial auto, and fiduciary liability. The Debtors have fully paid all installments on one of the PFAs, which expired on November 19, 2018. The other PFA expires on May 1, 2019 and has four remaining installments in the amount of \$409,348.19, the last of which is due on March 15, 2019. The Debtors have paid any down payments prior to the Petition Date, and have continued to pay the monthly installments as they become due.

13. If the Debtors are unable to continue making payments on the remaining PFA, Imperial may be permitted to terminate the PFA. The Debtors would then be required to obtain replacement insurance on an expedited basis and at significant cost to the estates. If the Debtors are required to obtain replacement insurance and to pay a lump-sum premium for such Insurance Policy in advance, this payment would likely be greater than what the Debtors currently pay.

Even if Imperial were not permitted to terminate the PFA, any interruption of payment would have a severe, adverse effect on the Debtors' ability to finance premiums for future policies.

14. In light of the importance of maintaining insurance coverage with respect to their business activities and preserving liquidity by financing their insurance premiums, the Debtors believe it is in the best interest of their estates to receive Court approval to honor their obligations under the PFA and, as necessary, renew or enter into new such agreements.

(iii) The Debtors' Insurance Broker Services

15. The Debtors use Alliance Insurance Group (the "**Broker**") to assist them with the procurement and negotiation of certain Insurance Policies. The Broker assists the Debtors in obtaining comprehensive insurance coverage for their operations, analyzing the market for available coverage and negotiating policy terms, provisions, and premiums. The Broker also provides ongoing support through the policy periods. The Debtors pay the Broker any fees and commissions that are owed under the PFAs (the "**Broker Fees**"). As of the Petition Date, the Debtors do not believe that they owe any amounts to the Broker on account of fees, commissions, or any other prepetition obligations beyond the commission amounts already contained in the next PFA installment that will come due in the ordinary course of the Debtors' business. Out of an abundance of caution, however, the Debtors seek authority to honor any amounts owed to the Broker to ensure uninterrupted coverage under their Insurance Policies.

(iv) The Debtors' Surety Bond Program

16. In the ordinary course of business, the Debtors are required to provide surety bonds to certain third parties to secure the Debtors' payment or performance of certain obligations, often to governmental units or other public agencies (the "**Surety Bond Program**"). Often, statutes or ordinances require the Debtors to post surety bonds to secure such obligations.

As such, the failure to provide, maintain, or timely replace their surety bonds may prevent the Debtors from undertaking essential functions related to their operations.

17. The premiums for the surety bonds are generally determined on an annual basis and paid by the Debtors when the bonds are issued and annually upon each renewal. The Debtors have approximately ninety-seven (97) outstanding surety bonds issued by CNA Surety Group Western Surety Company (collectively, the "**Sureties**"). Annual premiums for the Debtors' surety bonds total approximately \$100,000.00, which were paid in full prior to the effective date of the bonds. As such, the Debtors estimate that no prepetition amounts remain outstanding on account of the Surety Bond Program.

18. To continue their business operations during the reorganization or sale process, the Debtors must be able to provide financial assurances to state governments, regulatory agencies, and other third parties. Indeed, without the relief requested, the Debtors' ability to conduct operations in many locations could come to a halt, thereby destroying value for all stakeholders. To maintain the existing Surety Bond Program, the Debtors request the authority, but not direction, to pay all obligations under the Surety Bond Program as they come due, including the bond premiums, and any bond commissions as needed. In addition, the Debtors seek authority to renew or potentially acquire additional bonding capacity as needed in the ordinary course of their business, and execute other agreements in connection with the Surety Bond Program.

RELIEF REQUESTED

19. By this Motion, the Debtors request entry of an order, substantially in the form of Exhibit B attached hereto, authorizing the Debtors to (a) continue and renew their Insurance Policies, or obtain new insurance policies, as needed in the ordinary course of business, and (b) honor all of their prepetition and postpetition obligations, including payment of all outstanding

prepetition Insurance Obligations, under and in connection with the Insurance Policies on an uninterrupted basis and in accordance with the same practices and procedures as were in effect before the Petition Date, including premiums arising under the Insurance Policies and the Broker Fees.⁴

20. The Debtors also seek entry of an order authorizing the Banks to receive, process, honor, and pay checks or electronic transfers used by the Debtors to pay the foregoing and to rely on the representations of the Debtors as to which checks are issued and authorized to be paid in accordance with this Motion.

21. Lastly, by this Motion, the Debtors respectfully request an order preventing the Insurers from giving any notice of termination or otherwise modifying or cancelling any Insurance Policies without obtaining relief from the automatic stay.

BASIS FOR RELIEF

A. Honoring the Insurance Policy Obligations is Warranted Under Bankruptcy Code Section 363(b)

22. Bankruptcy Code section 363 provides, in relevant part, that “[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). Under section 363(b), courts require only that the debtor “show that a sound business purpose justifies such actions.” *Dai-Ichi Kangyo Bank, Ltd. v. Montgomery Ward Holding Corp. (In re Montgomery Ward Holding Corp.)*, 242 B.R. 147, 153 (D. Del. 1999) (citations omitted); *see also In re Phoenix Steel Corp.*, 82 B.R. 334, 335–36 (Bankr. D. Del. 1987); *In re Adelphia Commc’ns Corp.*, No. 02-41729 (REG), 2003 WL 22316543, at *30 (Bankr. S.D.N.Y. Mar. 4, 2003); *Comm. of Equity Sec. Holders v. Lionel Corp.*

⁴ Nothing in this Motion should be construed as an assumption of any executory contract or unexpired lease between the Debtors and any other party, nor should it be construed as a rejection of any executory contract or unexpired lease with any creditor. The Debtors reserve the right to contest the amount claimed to be due by any person or entity.

(*In re Lionel Corp.*), 722 F.2d 1063, 1070 (2d Cir. 1983). Moreover, “[w]here the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor’s conduct.” *Comm. of Asbestos-Related Litigants v. Johns-Manville Corp. (In re Johns-Manville Corp.)*, 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986) (citation omitted); *see also Stanziale v. Nachtomi (In re Tower Air, Inc.)*, 416 F.3d 229, 238 (3d Cir. 2005) (“Overcoming the presumptions of the business judgment rule on the merits is a near-Herculean task.”).

23. The Debtors have satisfied the business judgment standard. First, the coverage provided under the Insurance Policies is essential for preserving the value of the Debtors’ assets and, such coverage is required by various regulations, laws, and contracts that govern the Debtors’ business operations. Indeed, Bankruptcy Code section 1112(b)(4)(C) provides that “failure to maintain appropriate insurance that poses a risk to the estate or to the public,” is “cause” for mandatory conversion or dismissal of a chapter 11 case. 11 U.S.C. § 1112(b)(4)(C). Moreover, maintenance of insurance policies is required by the operating guidelines established by the Office of the United States Trustee (the “**U.S. Trustee**”). *See 3 United States Trustee Manual*, § 3-3.2.3 (Oct. 1998) (“A debtor must obtain appropriate insurance coverage, and documentation regarding the existence of the coverage must be provided to the Office of the United States Trustee as early in the case as possible.”). Second, if the Debtors fail to perform their obligations under the Insurance Policies, their coverage thereunder could be voided. Such a disruption of the Debtors’ insurance coverage could expose the Debtors to serious risks, including but not limited to: (a) direct liability for the payment of claims that otherwise would have been payable by the Insurers; (b) material costs and other losses that otherwise would have been reimbursed by the Insurers under the Insurance Policies; (c) the loss of good standing

certification in jurisdictions that require the Debtors to maintain certain levels of insurance coverage; (iv) the inability to obtain similar types of insurance coverage; and (d) higher costs for re-establishing lapsed policies or obtaining new insurance coverage. Any or all of these consequences could cause serious harm to the Debtors' business. Granting the relief requested herein will enhance the likelihood of the Debtors' successful rehabilitation, thereby furthering the goals of chapter 11: "facilitating the continued operation and rehabilitation of the debtor." *In re Ionosphere Clubs*, 98 B.R. 174, 176 (Bankr. S.D.N.Y. 1989).

24. The Debtors may also need to renew or replace certain of the Insurance Policies during the course of these Chapter 11 Cases or enter into new policies. If the Debtors do not pay prepetition amounts owing, including upward and/or downward adjustments, in respect of the Insurance Policies, there is a risk that the Insurers will refuse to renew the Insurance Policies.

25. Although the Debtors believe that the renewal, modification, or new execution of the Insurance Policies would constitute ordinary course transactions not requiring Court approval, the Debtors nevertheless seek authority to continue to renew and modify the Insurance Policies in order to assure the Debtors' Insurers that the Debtors have full authority with respect to new or modified arrangements without the need to obtain further approval from the Court.

B. Honoring the Insurance Policy Obligations is Warranted Under Bankruptcy Code Section 363(c)(1)

26. Bankruptcy Code section 363(c)(1) expressly grants the Debtors the authority to "enter into transactions . . . in the ordinary course of business" and "use property of the estate in the ordinary course of business without notice or a hearing." 11 U.S.C. § 363(c)(1). Therefore, the Debtors believe they are permitted to pay all postpetition amounts due pursuant to the Insurance Policies and to renew or obtain new insurance policies as such actions are in the ordinary course of the Debtors' businesses. However, out of an abundance of caution, the

Debtors seek entry of an order granting the relief requested herein to avoid any disruptions to their business operations.

C. Honoring the Insurance Policy Obligations is Warranted Under the Doctrine of Necessity

27. The Court may authorize payment of prepetition claims under Bankruptcy Code section 105(a). Section 105(a), which codifies the equitable powers of the bankruptcy court, empowers courts to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a). Under Bankruptcy Code section 105(a), courts may permit pre-plan payments of prepetition obligations when essential to the continued operation of the debtor’s business, even though such payment is not explicitly authorized under the Bankruptcy Code. *See, e.g., In re Just for Feet, Inc.*, 242 B.R. 821, 825-25 (D. Del. 1999). Specifically, the Court may use its power under Bankruptcy Code section 105(a) to authorize payment of prepetition obligations pursuant to the “doctrine of necessity” (also referred to as the “necessity of payment” rule). *In re Ionosphere Clubs, Inc.*, 98 B.R. at 175-76; *In re CoServ, L.L.C.*, 273 B.R. 487 (Bankr. N.D. Tex. 2002) (holding the doctrine of necessity applicable when payment fulfills the debtor in possession’s fiduciary role to protect and preserve the estate, including an operating business’s going-concern value).

28. The United States Bankruptcy Court for the Northern District of Texas has held that a debtor must demonstrate the following three elements to establish “necessity”: (1) it must be critical that the debtor deal with the claimant; (2) unless the debtor deals with the claimant, the debtor risks the probability of harm, or, alternatively, loss of economic advantage to the estate or the debtor’s going concern value, which is disproportionate to the amount of the claimant’s prepetition claim; (3) there is no practical or legal alternative by which the debtor can deal with the claimant other than by payment of the claim. *In re CoServ*, 237 B.R. at 487.

29. Honoring the Debtors' obligations with regards to the Insurance Policies is warranted under the doctrine of necessity. As described above, continuation of the Insurance Policies is essential to preserve the value of the Debtors' assets and minimize exposure to risk. Furthermore, insurance coverage is required by the Office of the United States Trustee, as well as various jurisdictions in which the Debtors operate.

30. Moreover, many bankruptcy courts in this district have granted relief similar to that requested herein in other chapter 11 cases. *See, e.g., In re TPP Acquisitions, Inc. d/b/a The Picture People*, Case No. 16-33437 (HDH) (Bankr. N.D. Tex. Sept. 8, 2016) [Doc. No. 81]; *In re CHC Group Ltd, et al*, Case No. 16-31854 (BJH) (Bankr. N.D. Tex. June 8, 2016) [Doc. No. 268]; *In re TransCoastal Corporation*, Case No. 15-34956 (HDH) (Bankr. N.D. Tex. Dec. 11, 2015) [Doc. No. 37]; *In re Energy & Exploration Partners, Inc.*, Case No. 15-44931 (RFN) (Bankr. N.D. Tex. Dec. 23, 2015) [Doc. No. 148]; *In re Renaissance Hosp. Grand Prairie, Inc.*, Case No. 08-43775 (RFN) (Bankr. N.D. Tex. Sept. 4, 2008) [Doc. No. 113]; *In re Bombay Co.*, Case No. 07-44084 (RFN) (Bankr. N.D. Tex. Sept. 20, 2007) [Doc. No. 66].

C. The Court Should Authorize Applicable Banks to Honor Checks and Electronic Fund Transfers in Accordance with the Motion

31. In connection with the foregoing, the Debtors respectfully request that the Court (a) authorize all applicable Banks to receive, process, honor, and pay all checks and transfers issued by the Debtors in accordance with this Motion, without regard to whether any checks or transfers were issued before or after the Petition Date, (b) provide that all Banks may rely on the representations of the Debtors with respect to whether any check or transfer issued or made by the Debtors before the Petition Date should be honored pursuant to this Motion (such banks and other financial institutions having no liability to any party for relying on such representations by the Debtors provided for herein), and (c) authorize the Debtors to issue replacement checks or

transfers to the extent any checks or transfers that are issued and authorized to be paid in accordance with this Motion are dishonored or rejected by the Banks.

D. The Automatic Stay

32. The Debtors also request that the Court prevent the Insurers from giving any notice of termination or otherwise modifying or canceling any Insurance Policies without obtaining relief from the automatic stay imposed by Bankruptcy Code section 362. The purpose of this relief is to aid in the administration of the Debtors' bankruptcy cases and to preserve the value of their business operations. The Debtors' Insurers may be unfamiliar with the protections afforded chapter 11 debtors under Bankruptcy Code section 362, and thus, an order of this Court affirming these protections would help avoid costly and unnecessary litigation.

33. As a result of the commencement of the Debtors' Chapter 11 Cases, and by operation of law pursuant to Bankruptcy Code section 362, the automatic stay prevents all persons from, inter alia, (a) commencing or continuing any judicial, administrative, or other proceeding against the Debtors, (b) taking any action to exercise control over property of the estates, or (c) taking any action to collect, assess or recover a claim against the Debtors that arose before the commencement of such cases. *See* 11 U.S.C. § 362(a).

34. The appropriate procedure for obtaining Court approval of termination under an insurance policy is to seek relief from the automatic stay under the provisions of Bankruptcy Code section 362(d)(1), which require the Court to grant relief for "cause." *In re Adana Mortg. Bankers, Inc.*, 12 B.R. 983, 988 (Bankr. N.D. Ga. 1980).

35. The injunctions contained in Bankruptcy Code section 362 are self-executing and constitute fundamental debtor protections, which, in combination with other provisions of the Bankruptcy Code, provides the Debtors with a "breathing spell" that is essential to the Debtors'

ability to reorganize. *See, e.g., Mar. Elec. Co., Inc. v. United Jersey Bank*, 959 F.2d 1194, 1204 (3d Cir. 1991).

E. Immediate Relief is Justified

36. Pursuant to Bankruptcy Rule 6003, the Court may grant relief within 21 days after the filing of the petition regarding a motion to “use, sell, lease, or otherwise incur an obligation regarding property of the estate” only if such relief is necessary to avoid immediate and irreparable harm. Fed. R. Bankr. P. 6003(b). Immediate and irreparable harm exists where the absence of relief would impair a debtor’s ability to reorganize or threaten the debtor’s future as a going concern. *See In re Ames Dep’t Stores, Inc.*, 115 B.R. 34, 36 n.2 (Bankr. S.D.N.Y. 1990) (discussing the elements of “immediate and irreparable harm” in relation to Bankruptcy Rule 4001).

37. Moreover, Bankruptcy Rule 6003 authorizes the Court to grant the relief requested herein to avoid harm to the Debtors’ customers and other third parties. Unlike Bankruptcy Rule 4001, Bankruptcy Rule 6003 does not condition relief on imminent or threatened harm to the estate alone. Rather, Bankruptcy Rule 6003 speaks of “immediate and irreparable harm” generally. *Cf.* Fed. R. Bankr. P. 4001(b)(2), (c)(2) (referring to “irreparable harm to the estate”). Indeed, the “irreparable harm” standard is analogous to the traditional standards governing the issuance of preliminary injunctions. *See 9 Alan N. Resnick & Henry J. Sommer, Collier on Bankruptcy* ¶ 4001.07[b][3] (16th ed.) (discussing source of “irreparable harm” standard under Rule 4001(c)(2)). Courts will routinely consider third-party interests when granting such relief. *See, e.g., Capital Ventures Int’l v. Argentina*, 443 F.3d 214, 223 n.7 (2d Cir. 2006); *see also Linnemeir v. Bd. of Trs. of Purdue Univ.*, 260 F.3d 757, 761 (7th Cir. 2001).

38. As described herein, the Debtors will suffer immediate and irreparable harm without Court authorization for the relief requested herein. Accordingly, Bankruptcy Rule 6003 has been satisfied and the relief requested herein should be granted.

WAIVER OF BANKRUPTCY RULES

39. To the extent that any aspect of the relief sought herein is subject to Bankruptcy Rule 6003, the Debtors submit that the Court may grant such relief within twenty-one (21) days after the Petition Date because it is necessary to avoid immediate and irreparable harm. *See* Fed. R. Bankr. P. 6003.

40. In addition, to the extent that any aspect of the relief sought herein constitutes a use of property under Bankruptcy Code section 363(b), the Debtors seek a waiver of the notice requirements under Bankruptcy Rule 6004(a) and the fourteen (14)-day stay under Bankruptcy Rule 6004(h), to the extent applicable. *See* Fed. R. Bankr. P. 6004(a), (h). As described above, the relief that the Debtors seek in this Motion is immediately necessary in order for the Debtors to be able to continue to operate their business and preserve the value of their estates. The Debtors respectfully request that the Court waive the notice requirements imposed by Bankruptcy Rule 6004(a) and the fourteen (14)-day stay imposed by Bankruptcy Rule 6004(h), as the exigent nature of the relief sought herein justifies immediate relief.

RESERVATION OF RIGHTS

41. Nothing contained herein is intended or should be construed as an admission of the validity of any claim against the Debtors, a waiver of the Debtors' rights to dispute any claim, or an approval, assumption, or rejection of any agreement, contract, or lease under Bankruptcy Code section 365. The Debtors expressly reserve their rights to contest any invoice or claim on account of any Insurance Policy under applicable law and to assume or reject any agreements with Insurance Policy providers in accordance with the applicable provisions of the

Bankruptcy Code. Likewise, if this Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity of any claim or a waiver of the Debtors' rights to dispute such claim subsequently.

CONSENT TO JURISDICTION

42. The Debtors consent to the entry of a final judgment or order with respect to this Motion if it is determined that the Court would lack Article III jurisdiction to enter such final order or judgment absent consent of the parties.

NOTICE

43. Notice of this Motion shall be provided to: (a) the Office of the United States Trustee for the Northern District of Texas; (b) the Office of the Attorney General of the states in which the Debtors operate; (c) the Debtors' forty largest unsecured creditors on a consolidated basis; (d) counsel to CIBC Bank USA; (e) Sabra Texas Holdings, L.P.; (f) the Internal Revenue Service; (g) the Department of Medicaid, Department of Health, and Division of Health Services Regulation in each state in which the Debtors operate Facilities; (h) the Insurers; and (j) the Banks.

44. The Debtors respectfully submit that such notice is sufficient and that no further notice of this Motion is required.

NO PRIOR REQUEST

45. No previous request for the relief sought herein has been made to this Court or any other court.

WHEREFORE, the Debtors respectfully request that the Court enter an order, substantially in the form of the proposed order attached hereto as Exhibit B, granting the relief requested in the Motion and such other and further relief as may be just and proper.

Dated: December 5, 2018
Dallas, Texas

POLSINELLI PC

/s/ *Trey A. Monsour*

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-and-

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*Proposed Counsel to the Debtors and Debtors
in Possession*

Exhibit A

(Sorted Alphabetically)

#	Debtor Name	Case No.	EIN
1.	Alief SCC LLC	18-33987	0523
2.	Bandera SCC LLC	18-33989	0617
3.	Baytown SCC LLC	18-33992	0778
4.	Beltline SCC LLC	18-33996	7264
5.	Booker SCC LLC	18-33999	0967
6.	Bossier SCC LLC	18-34003	2017
7.	Bradford SCC LLC	18-34004	9535
8.	Brinker SCC LLC	18-34005	7304
9.	Brownwood SCC LLC	18-33968	0677
10.	Capitol SCC LLC	18-34006	1750
11.	CapWest-Texas LLC	18-34008	4897
12.	Cedar Bayou SCC LLC	18-34010	8889
13.	Clear Brook SCC LLC	18-34012	1877
14.	Colonial SCC LLC	18-34014	4385
15.	Community SCC LLC	18-33969	7951
16.	Corpus Christi SCC LLC	18-34016	9807
17.	Crestwood SCC LLC	18-34017	7349
18.	Crowley SCC LLC	18-33970	6697
19.	CTLTC Real Estate, LLC	18-34018	0202
20.	Fairpark SCC LLC	18-34020	7381
21.	Gamble Hospice Care Central LLC	18-34022	6688
22.	Gamble Hospice Care Northeast LLC	18-34025	6661
23.	Gamble Hospice Care Northwest LLC	18-34027	2044
24.	Gamble Hospice Care of Cenla LLC	18-34029	4510
25.	Green Oaks SCC LLC	18-33971	7218
26.	Harbor Lakes SCC LLC	18-33972	7299
27.	Harden HUD Holdco LLC	18-34032	1502
28.	Harden Non-HUD Holdco LLC	18-34035	3391
29.	Harden Pharmacy LLC	18-34036	1995
30.	Hearthstone SCC LLC	18-34037	9154
31.	Hewitt SCC LLC	18-33973	7237
32.	HG SCC LLC	18-34040	7415
33.	Hill Country SCC LLC	18-34043	4199
34.	Holland SCC LLC	18-33974	1427
35.	Hunters Pond SCC LLC	18-34045	2886
36.	Jacksonville SCC LLC	18-34046	4216
37.	La Hacienda SCC LLC	18-34049	1074
38.	Lakepointe SCC LLC	18-34050	7457
39.	Major Timbers LLC	18-34052	7477
40.	Marlandwood East SCC LLC	18-34054	1871

#	Debtor Name	Case No.	EIN
41.	Marlandwood West SCC LLC	18-34058	2192
42.	Meadow Creek SCC LLC	18-34064	9278
43.	Midland SCC LLC	18-34065	4231
44.	Mill Forest Road SCC LLC	18-34066	5137
45.	Mission SCC LLC	18-33975	8086
46.	Mullican SCC LLC	18-34067	7499
47.	Mystic Park SCC LLC	18-34068	1898
48.	Normandie SCC LLC	18-34069	1542
49.	Onion Creek SCC LLC	18-34070	7425
50.	Park Bend SCC LLC	18-34071	9410
51.	Pasadena SCC LLC	18-34072	1694
52.	Pecan Tree SCC LLC	18-34073	4241
53.	Pecan Valley SCC LLC	18-34074	9585
54.	Pleasantmanor SCC LLC	18-34075	7536
55.	PM Management - Allen NC LLC	18-34076	4961
56.	PM Management - Babcock NC LLC	18-34077	7829
57.	PM Management - Cedar Park NC LLC	18-34078	1050
58.	PM Management - Corpus Christi NC II LLC	18-34079	5231
59.	PM Management - Corpus Christi NC III LLC	18-34080	5129
60.	PM Management - Corsicana NC II LLC	18-34081	9281
61.	PM Management - Corsicana NC III LLC	18-34082	9353
62.	PM Management - Corsicana NC LLC	18-34083	1333
63.	PM Management - Denison NC LLC	18-34084	5022
64.	PM Management - El Paso I NC LLC	18-34085	2965
65.	PM Management - Fredericksburg NC LLC	18-34086	0599
66.	PM Management - Frisco NC LLC	18-34087	5082
67.	PM Management - Garland NC LLC	18-33979	5137
68.	PM Management - Golden Triangle NC I LLC	18-33980	9478
69.	PM Management - Golden Triangle NC II LLC	18-33981	9536
70.	PM Management - Golden Triangle NC III LLC	18-33982	9597
71.	PM Management - Golden Triangle NC IV LLC	18-33983	9654
72.	PM Management - Killeen I NC LLC	18-33984	3105
73.	PM Management - Killeen II NC LLC	18-33985	3179
74.	PM Management - Killeen III NC LLC	18-33986	3245
75.	PM Management - Lewisville NC LLC	18-33988	5296
76.	PM Management - New Braunfels NC LLC	18-33990	6293
77.	PM Management - Park Valley NC LLC	18-33991	7186
78.	PM Management - Pflugerville AL LLC	18-33993	4007
79.	PM Management - Portland AL LLC	18-33994	5018
80.	PM Management - Portland NC LLC	18-33995	4928
81.	PM Management - Round Rock AL LLC	18-33997	5304
82.	PM Management - San Antonio NC LLC	18-33998	1216
83.	Presidential SCC LLC	18-34000	1913
84.	Redoak SCC LLC	18-33976	7569

#	Debtor Name	Case No.	EIN
85.	Riverside SCC LLC	18-34001	1889
86.	Round Rock SCC LLC	18-34002	8936
87.	Rowlett SCC LLC	18-34007	7606
88.	Ruston SCC LLC	18-34009	0242
89.	RW SCC LLC	18-34011	7631
90.	Sagebrook SCC LLC	18-34013	9571
91.	San Angelo SCC LLC	18-34015	4254
92.	SCC Edinburg LLC	18-34019	1195
93.	SCC Hospice Holdco LLC	18-34021	3166
94.	SCC Senior Care Investments LLC	18-34023	4123
95.	SCC Socorro LLC	18-34024	5459
96.	Senior Care Center Management II LLC	18-34026	1280
97.	Senior Care Center Management LLC	18-34028	7811
98.	Senior Care Centers Home Health, LLC	18-34030	1931
99.	Senior Care Centers LLC	18-33967	8550
100.	Senior Rehab Solutions LLC	18-34031	4829
101.	Senior Rehab Solutions North Louisiana LLC	18-34033	1690
102.	Shreveport SCC LLC	18-34034	1659
103.	Solutions 2 Wellness LLC	18-34038	4065
104.	South Oaks SCC LLC	18-34039	8002
105.	Springlake ALF SCC LLC	18-34041	2436
106.	Springlake SCC LLC	18-34042	9102
107.	Stallings Court SCC LLC	18-33977	7393
108.	Stonebridge SCC LLC	18-34044	9234
109.	Stonegate SCC LLC	18-33978	3005
110.	Summer Regency SCC LLC	18-34047	7782
111.	TRISUN Healthcare LLC	18-34048	2497
112.	Valley Grande SCC LLC	18-34051	1341
113.	Vintage SCC LLC	18-34053	7710
114.	West Oaks SCC LLC	18-34055	9535
115.	Western Hills SCC LLC	18-34056	1922
116.	Weston Inn SCC LLC	18-34057	7871
117.	Westover Hills SCC LLC	18-34059	3303
118.	Whitesboro SCC LLC	18-34060	7745
119.	Windcrest SCC LLC	18-34061	9541
120.	Windmill SCC LLC	18-34062	8067
121.	Wurzbach SCC LLC	18-34063	9920

Exhibit B

Proposed Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:	§	
	§	Chapter 11
	§	
Senior Care Centers, LLC, <i>et al.</i> , ¹	§	Case No. 18-33967 (BJH)
	§	
Debtors.	§	(Joint Administration Requested)
	§	

**ORDER (I) AUTHORIZING CONTINUATION OF, AND PAYMENT OF
PREPETITION OBLIGATIONS INCURRED IN THE ORDINARY COURSE OF
BUSINESS IN CONNECTION WITH, VARIOUS INSURANCE POLICIES, (II)
AUTHORIZING BANKS TO HONOR AND PROCESS CHECKS AND ELECTRONIC
TRANSFER REQUESTS RELATED THERETO, (III) PREVENTING INSURANCE
COMPANIES FROM GIVING ANY NOTICE OF TERMINATION OR OTHERWISE
MODIFYING ANY INSURANCE POLICY WITHOUT OBTAINING RELIEF FORM
THE AUTOMATIC STAY, (IV) AUTHORIZING THE DEBTORS TO CONTINUE TO
HONOR PREMIUM FINANCING OBLIGATIONS, AND (V) AUTHORIZING THE
DEBTORS TO CONTINUE THE SURETY BOND PROGRAM**

Upon the motion (the “**Motion**”)² of the Debtors for entry of an (this “**Order**”) (i) authorizing continuation of, and payment of prepetition obligations incurred in the ordinary course of business in connection with, various Insurance Policies, (ii) authorizing Banks to honor and process checks and electronic transfer requests related thereto, (iii) preventing Insurers from giving any notice of termination or otherwise modifying or cancelling any Insurance Policies

¹ A list of the Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor’s federal tax identification number, is attached to the Motion as Exhibit A.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

without first obtaining relief from the automatic stay, (iv) authorizing, but not directing, the Debtors to continue to honor premium financing obligations, and (v) authorizing, but not directing, the Debtors to continue their surety bond program; the Court having reviewed the Motion and the First Day Declaration; and the Court having jurisdiction over this matter pursuant to 28 U.S.C. 157 and §§ 1334(b); and the Court having found that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that the Debtors consent to entry of a final order under Article III of the United States Constitution; and the Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having determined that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and upon the record herein; and after due deliberation thereon; and good and sufficient cause appearing therefore, it is hereby

ORDERED, ADJUDGED, AND DECREED THAT:

1. The Motion is GRANTED as set forth herein.
2. All objections to the entry of this Order, to the extent not withdrawn or settled, are overruled.
3. The Debtors are authorized, but not directed, without interruption and in accordance with the same practices and procedures as were in effect before the Petition Date, to maintain and honor all of their prepetition Insurance Obligations under or in connection with the Insurance Policies in an amount not to exceed \$2.3 million.
4. The Debtors are authorized to renew or to obtain new insurance policies or to execute other agreements in connection with the Insurance Policies.

5. Each of the Banks are authorized to honor checks presented for payment and all fund transfer requests made by the Debtors, to the extent that sufficient funds are on deposit in the applicable accounts, in accordance with this order and any other order of this Court.

6. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests in connection with any Insurance Obligations that are dishonored or rejected.

7. The Insurers are hereby prevented from giving any notice of termination or otherwise modifying or cancelling any Insurance Policies without first obtaining relief from the automatic stay imposed by Bankruptcy Code section 362.

8. The Debtors are authorized to continue honoring all obligations incurred pursuant to the PFAs with Imperial.

9. The Debtors are authorized to continue honoring all obligations incurred pursuant to the Surety Bond Program.

10. The Debtors are authorized to continue honoring all obligations in connection with the Broker, including the payment of the Broker Fees.

11. Nothing in the Motion or this Order, or the Debtors' payment of any claims pursuant to this Order, shall be deemed or construed as: (a) an admission as to the validity of any claim or lien against the Debtors or their estates, (b) a waiver of the Debtors' right to dispute any claim or lien, (c) an admission of the priority status of any claim, whether under Bankruptcy Code section 503(b)(9) or otherwise, (d) to the extent that an Insurance Policy is deemed an executory contract within the meaning of Bankruptcy Code section 365, an assumption or adoption of the policy or agreement as an executory contract, or (e) a modification of the

Debtors' rights to seek relief under any section of the Bankruptcy Code on account of any amounts owed or paid on account of any Insurance Policies.

12. The Debtors are hereby authorized to take such actions and to execute such documents as may be necessary to implement the relief granted by this order.

13. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied.

14. The requirements set forth in Bankruptcy Rule 6004(a) are hereby waived.

15. Notwithstanding any Bankruptcy Rule (including, but not limited to, Bankruptcy Rule 6004(h)) or Local Bankruptcy Rule that might otherwise delay the effectiveness of this order, the terms and conditions of this order shall be immediately effective and enforceable upon its entry.

16. This Court shall retain jurisdiction over any and all matters arising from the interpretation, implementation, or enforcement of this Order.

End of Order

Exhibit C

Insurance Policies

Type of Coverage	Insurance Carrier(s)	Address	Policy Number	Policy Term	Premium
Property	American Guarantee and Liability Insurance Company/Zurich	PO Box 968057 Schaumburg, IL 60196-8057	ZMD0193986-02	5/1/2018- 5/1/2019	\$1,620,014.74
General/Professional & Nose Coverage Liability (SCC & Trisun Locations)	Underwriter's at Lloyds London/Sapphie Blue	Sue.Walsh@sedgwick.com 501-954-2497	SB-LTCA-01679- 18	5/1/2018- 5/1/2019	\$1,661,100.00
Excess GL, AL, EL (SCC & Trisun Locations)	Underwriter's at Lloyds London/Sapphie Blue	PO Box 14478 Lexington, KY 40572	SB-LTCAX- 01490-18	5/1/2018- 5/1/2019	\$259,087.51
General/Professional Liability (Hollywood, Vegas & Louisiana Locations)	Underwriter's at Lloyds London/Sapphie Blue	PO Box 14478 Lexington, KY 40572	SB-LTCA-01680- 18	5/1/2018- 5/1/2019	\$447,825.00
Excess General/Professional Liability (Hollywood & Vegas Locations)	Underwriter's at Lloyds London/Sapphie Blue	PO Box 14478 Lexington, KY 40572	SB-LTCAX- 01492-18	5/1/2018- 5/1/2019	\$44,887.76
Excess General Liability & Employers Liability (Louisiana Locations Only)	Underwriter's at Lloyds London/Sapphie Blue	PO Box 14478 Lexington, KY 40572	SB-LTCAX- 01491-18	5/1/2018- 5/1/2019	\$56,109.69
Executive Risk (Directors & Officers, Employment Practices Liability, 3rd Party, Fiduciary & Crime)	Federal Insurance Company	82 Hopmeadow Street Simsbury, Connecticut 06070-7683	8211-8486	5/1/2018- 5/1/2019	\$150,158.00
Excess Directors & Officers	Ironshore Specialty Insurance Company	One State Street Plaza 8th Floor New York, NY 10004	003565600	5/1/2018- 5/1/2019	\$37,012.51
Excess Directors & Officers	Allied World Surplus Lines Insurance Company	1690 New Britain Ave. Suite 101 Farmington, CT 06032	355435	5/1/2018- 5/1/2019	\$18,112.51
Commercial Auto (Texas Vehicles)	Philadelphia Indemnity Insurance Company	claimsreport@phlyins.com (800) 765-9749	PHPK1811673	5/1/2018- 5/1/2019	\$250,188.00
Commercial Auto (Louisiana Vehicles)	American Guarantee and Liability Insurance Company/Zurich	PO Box 968057 Schaumburg, IL 60196-8057	BAP 0297391-01	5/1/2018- 5/1/2019	\$66,655.00
Flood (Special Flood Hazard Area)	Landmark American Insurance Company	945 East Paces Ferry Rd. Suite 1800 Atlanta, GA 30326-1160	LHD423523	5/1/2018- 5/1/2019	\$64,575.00
Flood (Moderate Flood Hazard Area)	Landmark American Insurance Company	945 East Paces Ferry Rd. Suite 1800 Atlanta, GA 30326-1160	LHD423524	5/1/2018- 5/1/2019	\$26,906.25
Storage Tank Pollution Liability (Vintage SCC, LLC, 205 N Bonnie Brae, Denton, TX 76201)	Crum & Forster Specialty Insurance	305 Madison Avenue Morristown, New Jersey 07960	STP-113777	8/20/2018- 8/20/2019	\$3,441.90
National Flood Insurance Gamble Hospice Care Cenla LLC 3805 Halsey St Ste C, Alexandria, LA	Hartford Insurance Company	Claims@floodpro.net (800) 759-8656	87060770802018	6/10/2018- 6/10/2019	\$3,323.00
National Flood Insurance Community SCC LLC 2601 Northwest Loop, Stephenville, TX	Hartford Insurance Company	Claims@floodpro.net (800) 759-8656	87060770792018	6/10/2018- 6/10/2019	\$3,323.00
National Flood Insurance Alief SCC LLC 8702 S Course Dr, Houston, TX	Hartford Insurance Company	Claims@floodpro.net (800) 759-8656	87060770772018	6/10/2018- 6/10/2019	\$3,323.00

National Flood Insurance La Hacienda SCC LLC 3730 W Orem Dr, Houston, TX	Hartford Insurance Company	Claims@floodpro.net (800) 759-8656	87060770742018	6/10/2018- 6/10/2019	\$3,323.00
National Flood Insurance Clear Brook SCC LLC 10800 Flora Mae Meadows Rd Houston, TX 77089	Hartford Insurance Company	Claims@floodpro.net (800) 759-8656	87060770732018	6/10/2018- 6/10/2019	\$3,323.00
National Flood Insurance Gamble Hospice Northeast LLC dba: AIME 510 Trenton St, West Monroe, LA	Hartford Insurance Company	Claims@floodpro.net (800) 759-8656	87060770822018	6/10/2018- 6/10/2019	\$660.00
National Flood Insurance Springlake ALF SCC LLC 8622 Line Ave, Shreveport, LA	Hartford Insurance Company	Claims@floodpro.net (800) 759-8656	87060770992018	6/10/2018- 6/10/2019	\$725.00
National Flood Insurance Springlake SCC LLC (SNF) 8622 Line Ave., Shreveport, LA 71106	Hartford Insurance Company	Claims@floodpro.net (800) 759-8656	87060770912018	6/12/2018- 6/12/2019	\$3,323.00
National Flood Insurance SCC Corporate Office 8520 Business Park Dr., Shreveport, LA	Hartford Insurance Company	Claims@floodpro.net (800) 759-8656	87057604732018	5/1/2018- 5/1/2019	\$2,254.00
National Flood Insurance Senior Care of Meadow Creek 4343 Oak Grove Blvd., San Angelo, TX	Hartford Insurance Company	Claims@floodpro.net (800) 759-8656	87060340112018	1/8/2018- 1/1/2019	\$1,462.00
National Flood Insurance Mission SCC LLC 1013 S Bryan Rd, Mission, TX	Hartford Insurance Company	Claims@floodpro.net (800) 759-8656	87047271072017	12/1/2017- 12/1/2018	\$751.00
National Flood Insurance 205 N Bonnie Brae, Denton, TX	Hartford Insurance Company	Claims@floodpro.net (800) 759-8656	87047952952017	5/29/2017- 5/29/2018	\$728.00
National Flood Insurance PM Management Lewisville NC LLC 700 E Vista Ridge Mall Dr, Lewisville, TX	American Bankers Insurance Company	Claims@floodpro.net (800) 759-8656	87052445562017	5/26/2017- 5/26/2018	\$3,323.00
National Flood Insurance 7200 9 th Ave., Port Arthur, TX 77642	Hartford Insurance Company	Claims@floodpro.net (800) 759-8656	87060839702018	6/24/2018- 6/24/2019	\$1,174.00
National Flood Insurance PM Management Goldent Triangle NC IV 4225 Lake Arthur Dr, Port Arthur, TX	Hartford Insurance Company	Claims@floodpro.net (800) 759-8656	87060873102018	7/4/2018- 7/4/2019	\$1,241.00
National Flood Insurance 806 Brook Hollow Drive, Shreveport, LA	Hartford Insurance Company	Claims@floodpro.net (800) 759-8656	87060873162018	7/4/2018- 7/4/2019	\$1,066.00
National Flood Insurance 788 Brook Hollow Dr, Shreveport, LA	Hartford Insurance Company	Claims@floodpro.net (800) 759-8656	87060873192018	7/4/2018- 7/4/2019	\$773.00
Named Storm Deductible Buy Down	Underwriters at Lloyds/B&R	To be supplemented	EW0055218	5/1/2018- 5/1/2019	\$328,814.85
General/Professional Extended Reporting Period for Winters Park Assisted Living (3450 Wagon Wheel Road, Garland, TX)	Underwriter's at Lloyds London/Sapphie Blue	To be supplemented	SB-LTCA-01498-16	6/23/2016- 9/23/2018	\$6,520.51
General/Professional Extended Reporting Period for Trisun Care Center - Sinton (936 W 4th Street, Sinton, TX)	Underwriter's at Lloyds London/Sapphie Blue	PO Box 14478 Lexington, KY 40572	SB-LTCA-01539-16	10/1/2016- 12/1/2018	\$26,460.00
Cyber Liability	Underwriter's at Lloyds London	1270 Avenue of the Americas 12th Floor New York, NY 10020	W1A231170301	11/19/2017- 11/19/2018	\$34,695.15

Louisiana Patient Fund - Senior Care Center Management, LLC	LA Patient's Compensation Fund	To be supplemented		5/1/2018-5/1/2019	\$334,138.57
Louisiana Patient Fund – Bradford SCC, LLC dba: The Bradford Rehabilitation Center	LA Patient's Compensation Fund	To be supplemented	Enrollee R.S.40:1231:1	5/1/2018-5/1/2019	Included
Louisiana Patient Fund - Shreveport SCC, LLC dba: SCC of Shreveport Manor Rehabilitation Center	LA Patient's Compensation Fund	To be supplemented	Enrollee R.S.40:1231:1	5/1/2018-5/1/2019	Included
Louisiana Patient Fund – Booker SCC, LLC dba: SCC Booker T. Washington Rehabilitation Center	LA Patient's Compensation Fund	To be supplemented	Enrollee R.S.40:1231:1	5/1/2018-5/1/2019	Included
Louisiana Patient Fund - Springlake ALF SCC, LLC dba: The Gables at Spring Lake Assisted Living	LA Patient's Compensation Fund	To be supplemented	Enrollee R.S.40:1231:1	5/1/2018-5/1/2019	Included
Louisiana Patient Fund - Springlake SCC, LLC dba: SCC of Springlake Rehabilitation Center	LA Patient's Compensation Fund	To be supplemented	Enrollee R.S.40:1231:1	5/1/2018-5/1/2019	Included
Louisiana Patient Fund - Colonial SCC, LLC dba: SCC of Colonial Oaks Rehabilitation Center	LA Patient's Compensation Fund	To be supplemented	Enrollee R.S.40:1231:1	5/1/2018-5/1/2019	Included
Louisiana Patient Fund - Bossier SCC, LLC dba: SCC of Pilgrim Manor Rehabilitation Center	LA Patient's Compensation Fund	To be supplemented	Enrollee R.S.40:1231:1	5/1/2018-5/1/2019	Included
Louisiana Patient Fund - Ruston SCC, LLC dba: SCC of Alpine Rehabilitation Center	LA Patient's Compensation Fund	To be supplemented	Enrollee R.S.40:1231:1	5/1/2018-5/1/2019	Included
Louisiana Patient Fund - Gamble Hospice Care Northwest, LLC dba: AIME Hospice Care	LA Patient's Compensation Fund	To be supplemented	Enrollee R.S.40:1231:1	5/1/2018-5/1/2019	Included
Louisiana Patient Fund - Gamble Hospice Care of Cenla, LLC dba: AIME Hospice Care	LA Patient's Compensation Fund	To be supplemented	Enrollee R.S.40:1231:1	5/1/2018-5/1/2019	Included
Louisiana Patient Fund - Gamble Hospice Care Central, LLC dba: AIME Hospice Care	LA Patient's Compensation Fund	To be supplemented	Enrollee R.S.40:1231:1	5/1/2018-5/1/2019	Included
Louisiana Patient Fund - Gamble Hospice Care Northeast, LLC dba: AIME Hospice Care	LA Patient's Compensation Fund	To be supplemented	Enrollee R.S.40:1231:1	5/1/2018-5/1/2019	Included
Louisiana Patient Fund - Normandie SCC LLC dba: The Guest House Rehabilitation Center	LA Patient's Compensation Fund	To be supplemented	License 2203782544	5/1/2018-5/1/2019	Included
Louisiana Patient Fund - Senior Rehab Solutions North Louisiana, LLC	LA Patient's Compensation Fund	To be supplemented	Enrollee R.S.40:1231:1	5/1/2018-5/1/2019	Included
Key Man Life Insurance - Kerr	To be supplemented	To be supplemented	AD20486127	10-year term	\$4,698 (Annual)
Key Man Life Insurance - Brandley	To be supplemented	To be supplemented	AD20581612	10-year term	\$1,392 (Annual)
Workers Compensation (Senior Rehab Solutions, LLC) (AZ) (KS) (NM) (NY-being added 11/1/2017)	Wesco Insurance Company (AmTrust)	P O Box 6939 Cleveland Ohio 44101-1939	WWC3342174	3/21/2018-3/21/2019	\$114,095.00
Workers Compensation (Senior Rehab Solutions, LLC) (CO)	Milwaukee Casualty Insurance Co (AmTrust)	P O Box 6939 Cleveland Ohio 44101-1939	MWC1021905	3/1/2018-3/1/2019	\$20,154.00
Workers Compensation (Senior Rehab Solutions LLC) California	Technology Insurance Co (AmTrust)	P O Box 6939 Cleveland Ohio 44101-1939	TWC3704207	5/1/2018-5/1/2019	\$13,180.00
Workers Compensation (Rehab Services PT OT SLP LLC) (NY)	New York State Insurance Fund	P O Box 5239 New York NY 10008-5239	K23999295	10/1/2017-10/1/2018	\$83,304.00
Disability Coverage (Rehab Services PT OT SLP LLC) (NY)	New York State Insurance Fund	P O Box 5239 New York NY 10008-5239	DBL6794896	10/1/2017-10/1/2018	\$248.00

TX Non-Subscript (Senior Care Centers LLC)	North American Specialty Insurance Company	P O Box 819045 Dallas TX 753841-9045	EPG1000053-07	5/1/2018- 5/1/2019	\$347,414.00
TPA (Senior Care Centers LLC)	Anchor Insurance	P O Box 819045 Dallas TX 75382	None	5/1/2018 – 5/1/2019	\$202.00 per Record Only \$605.00 per Medical Only Indemnity Blended Fee
Workers Compensation (Senior Care Centers LLC) (LA)	Great American	P O Box 89400 Cleveland OH 44101-6400	WC217817000	9/1/2018- 9/1/2019	\$327,669.00
Workers Compensation Loss Fund Security (Senior Care Centers) (LA)	Great American	301 East Fourth Street Cincinnati OH 45202-4201	WC217817000	9/1/2018- 9/1/2019	\$525,000.00
Workers Compensation Claim Admin Fee (Senior Care Centers) (LA)	Great American	P O Box 89400 Cleveland OH 44101-6400	WC217817000	9/1/2018- 9/1/2019	\$37,291.00
Accident Coverage (Senior Care Centers LLC) - Volunteers	AIG	P O Box 35540 Newark NJ 07193-5540	SRG0009149607	7/8/2018- 7/8/2019	\$500